



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

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Statement of
LUIS P. SALAVERIA
Director

Department of Business, Economic Development, and Tourism
before the
SENATE COMMITTEE ON TRANSPORTATION AND ENERGY

Monday, April 2, 2018

1:15 PM

State Capitol, Conference Room 225

in consideration of
SCR 91/SR 143

**REQUESTING THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND
TOURISM TO REPORT TO THE LEGISLATURE ON HOW TO INCORPORATE RENEWABLE
FUELS INTO THE HAWAII CLEAN ENERGY INITIATIVE.**

Chair Inouye, Vice Chair Espero, and Members of the Committee.

The Department of Business, Economic Development & Tourism (DBEDT) offers comments on SCR 91/SR143, requesting DBEDT to evaluate and report to the Legislature on how renewable fuels can play a role in achieving the Hawaii Clean Energy Initiative's (HCEI's) goal of 100% renewable energy by 2045.

DBEDT thanks the Legislature for its interest in supporting the attainment of our State's goal of 100% renewable portfolio standards (RPS) by 2045.

DBEDT would also like to comment that on July 14, 2017, the Public Utilities Commission (PUC) approved the Hawaiian Electric Companies' Power Supply Improvement Plan (PSIP). The PSIP was a significant, multi-year engagement between the Hawaiian Electric Companies, key stakeholders, inclusive of DBEDT, that yielded near-term action plans and long-range analysis for evaluating pending and future operational decisions and resource acquisitions alternatives in an effort to attain our 100% RPS goal. It is also important to note that the use of renewable fuels has been strategically factored into the PSIP.

Given the intensive planning, analysis, and approval of the PSIP and the formal structure for which the Hawaiian Electric Companies will execute, DBEDT recommends that the Hawaiian Electric Companies be given the time and opportunity to execute on the approved PSIP. Hence, DBEDT believes it would be premature to conduct additional evaluation on how renewable fuels can play a role in achieving 100% RPS by 2045 at this juncture.

Thank you for the opportunity to offer these comments.



Email: communications@ulupono.com

SENATE COMMITTEE ON TRANSPORTATION & ENERGY
Monday, April 2, 2018 — 1:15 p.m. — Room 225

Ulupono Initiative Strongly Supports SCR 91, Requesting the Department of Business, Economic Development, and Tourism to Report to the Legislature on How to Incorporate Renewable Fuels into the Hawaii Clean Energy Initiative

Dear Chair Inouye, Vice Chair Espero, and Members of the Committee:

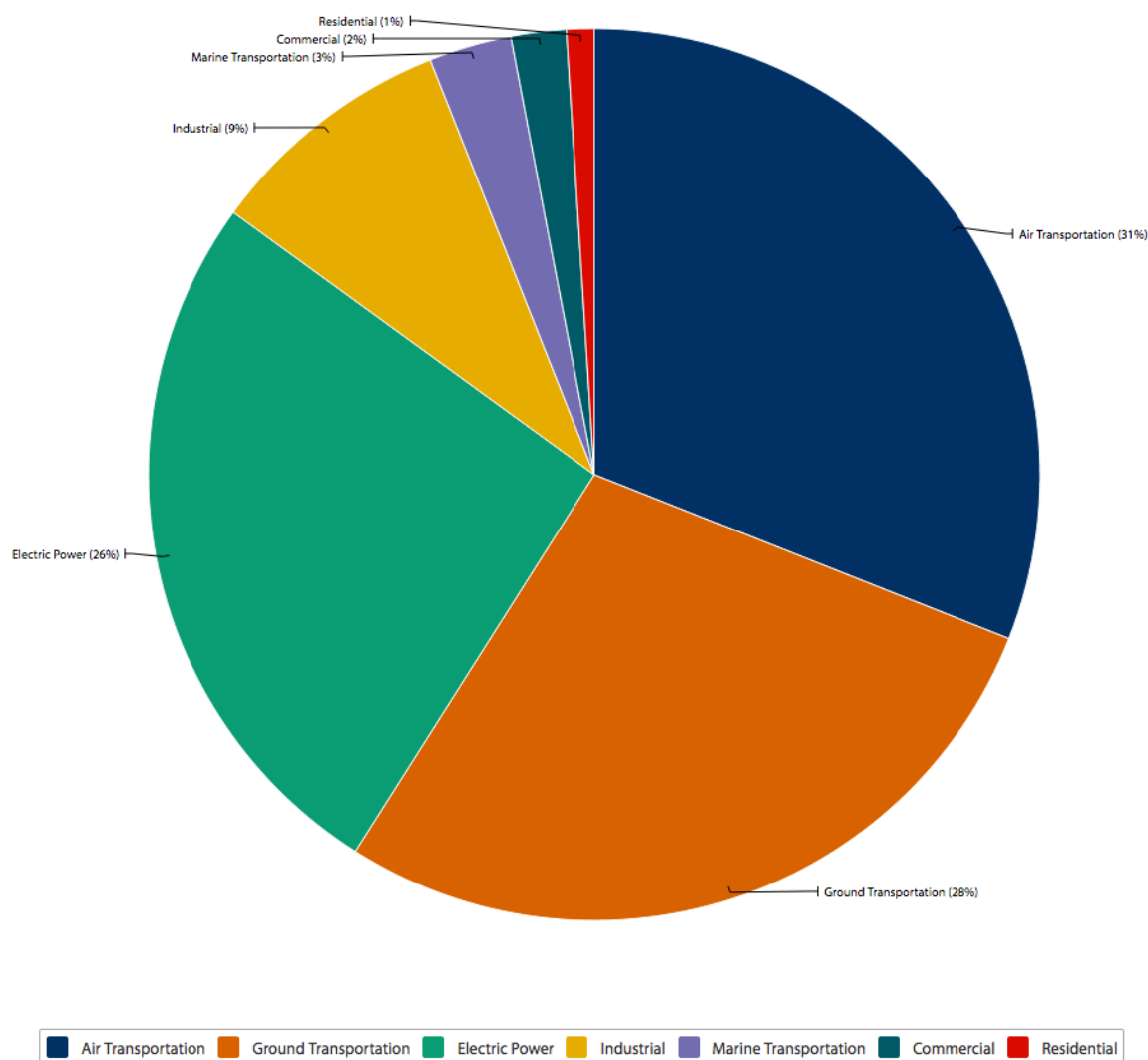
My name is Murray Clay and I am Managing Partner of the Ulupono Initiative, a Hawai'i-based impact investment firm that strives to improve the quality of life for the people of Hawai'i by working toward solutions that create more locally produced food; increase affordable, clean, renewable energy; and better management of waste and fresh water. Ulupono believes that self-sufficiency is essential to our future prosperity and will help shape a future where economic progress and mission-focused impact can work hand in hand.

Ulupono strongly supports SCR 91, which requests the Department of Business, Economic Development, and Tourism to report on how to incorporate renewable fuels into the Hawai'i Clean Energy Initiative, because it aligns with our goal of increasing the production of clean, renewable energy in Hawai'i.

In Hawai'i, while ~25 percent of electricity generation is renewable energy, less than 1 percent of energy use in transportation is renewable. Meanwhile, the transportation sector requires more energy than the electricity sector.

Investing in a Sustainable Hawai'i

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Yet, to fundamentally change the transportation sector from an imported fossil fuel based system to a renewable fueled sector is a monumental task. It will require leadership, collaboration, public support, financing, and patience with diligence. From prior experience working to make the electricity sector more renewable, it was extremely helpful that the State set goals and targets so that the public and private sector could work together to set goals and strategies to achieve them.

Aspirational goals are important to change mindsets and actions. For example, Hawaiian Electric's goal of 70 percent renewable electricity generation by 2030 was considered impossible at the time it was proposed, but now it is on the path to meet that ambitiously aspirational goal.

It has been difficult for all of the necessary stakeholders to agree on a common blueprint. The State is also the only authority with enough power to set the necessary statewide transportation targets and motivate key stakeholders to work toward a common goal.

If the Department of Business, Economic Development, and Tourism is able to create a plan on how to incorporate more renewable fuels, this can provide a blueprint for all stakeholders to follow.

As Hawai'i's energy issues become more complex and challenging, we appreciate this committee's efforts to look at policies that support renewable energy production.

Thank you for this opportunity to testify.

Respectfully,

Murray Clay
Managing Partner



Testimony to the Senate Committee on Transportation and Energy

Monday, April 2, 2018 1:15 p.m.
Conference Room 225, State Capitol
RE: SCR91 / SR143

Chair Inouye, Vice Chair Espero and Members of the Transportation and Energy Committee

Hawaii Gas provides the following **comments** for SCR91 and SR143:

SCR91 and SR143 request that DBEDT evaluate how renewable fuels can play a role in achieving the Hawaii Clean Energy Initiative's goal of one hundred percent renewable energy by 2045 for electric generation; and requests that DBEDT submit a report of its findings and recommendations, including any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2019.

Hawaii Gas notes that DBEDT has previously conducted a study on biofuels, and as part of ACT 203, was required to submit a report to the legislature in 2012. It was an informative report, however it failed to include a study of biogas or other gases produced from renewable and sustainable resources available in the state. Hawaii Gas suggests that any new report or update to the report includes research on the quantity and production of biogas and other gases utilizing feedstock from locally available renewable resources for electric generation.

We suggest that the report also includes the effects of increased electrification of the transportation sector and subsequent required increase of the electrical generation capacities. Studying this variable will be necessary to realistically evaluate the quantity and type of renewable fuels which will be required to achieve the 100% renewable goal for electric generation by 2045.

Thank you for the opportunity to testify on SCR91 and SR143.

SCR-91

Submitted on: 3/30/2018 3:18:04 AM

Testimony for TRE on 4/2/2018 1:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	Testifying for Oahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i	Support	No

Comments:

To the Honorable Lorraine R. Inouye, Chair; the Honorable Will Espero, Vice-Chair and Members of the Committee on Transportation and Energy:

Good afternoon. My name is Melodie Aduja. I serve as Chair of the Oahu County Committee ("OCC") on Legislative Priorities of the Democratic Party of Hawaii. Thank you for the opportunity to provide written testimony on **SCR91** relating to DBEDT; Hawaii Clean Energy Initiative; Renewable Fuel; and Biofuel.

The OCC on Legislative Priorities is in favor of **SCR91** and supports its passage. **SCR91** is in accord with the Platform of the Democratic Party of Hawai'i ("DPH"), 2016, as it requests Department of Business, Economic Development, and Tourism evaluate how renewable fuels can play a role in achieving the Hawaii Clean Energy Initiative's goal of one hundred percent renewable energy by 2045; and it further requests that Department of Business, Economic Development, and Tourism submit a report of its findings and recommendations, including any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2019.

The Platform of the DPH provides that "We believe in a government that will adequately, efficiently, courteously, openly, ethically and fairly administer to the needs of the people. (Platform of DPH, P.5, Line 443-448 (2016)).

We support energy independence, self-sufficiency, affordability and reliability for Hawai'i through the development of renewable alternative energy sources. Specifically, we need to support policies that foster the development of energy production methods that de-emphasize carbon-based fuels and promote renewable sources such as wind, solar, wave, geothermal and Ocean Thermal Energy Conversion (OTEC).

Electricity rates in Hawaii are among the highest in the nation despite the fact that we enjoy an abundance of sunshine year-round. Electric utility companies and cooperatives must open the grid to alternative power sources including solar panels and

geothermal energy. We support the effort of our government officials to require utilities to provide for the maximum, comprehensive, integrated use of renewable energy and associated technologies such as storage and smart grid technologies. 462 (Platform of DPH, P.9, Line 451-462 (2016)).

"We seek to achieve energy sustainability based on renewable energy sources. We must encourage the use of clean alternative fuel sources to include our public transportation systems. We must increase the use of public transit, telecommuting, car and vanpooling, ridesharing, biking, walking, and other forms of transportation thereby reducing traffic congestion and air pollution. We must also urgently develop the use of a variety of cost-effective energy providing systems, encourage transit-oriented development, and support tax incentives that encourage renewable energy initiatives." (Platform of DPH, P.8, Line 443-448 (2016)).

We recognize the necessity of providing a safe, efficient transportation infrastructure. We endorse efforts to promote less reliance on imported fossil fuel and to support energy-efficient methods of transportation. Therefore, we support county, state, and federal efforts to provide more efficient and punctual methods of public transportation, to include but not limited to: sidewalks, pedestrian crossings, bicycle paths and lanes, mass transit, highways, airports, and ferry systems. We support the allocation of resources including public funds to address all necessary transportation issues, including increased funding for mass transit.

We endorse efforts to promote less reliance on the automobile by employing private and public use of alternative modes of travel. We encourage efforts to provide better vehicle and pedestrian safety. In particular, we support initiatives that will provide our state with more fuel-efficient vehicles, affordable mass transit and well-identified bike lanes. In order to be best served by mass transit, we must recognize the importance of the integration in an urban setting of any new modes of mass transportation with existing and future public streets and highways, bike lanes, retail establishments and services, and truly-affordable housing – while maintaining a high degree of open space at ground level in current and all future high-density developments.

We support the development of alternative emergency options for potential evacuation, with special attention to rural areas that only have one access point. (Platform of DPH, P.9, Line 465-483 (2016)).

Given that **SSCR91** requests Department of Business, Economic Development, and Tourism evaluate how renewable fuels can play a role in achieving the Hawaii Clean Energy Initiative's goal of one hundred percent renewable energy by 2045; and it further requests that Department of Business, Economic Development, and Tourism submit a report of its findings and recommendations, including any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular

Session of 2019, it is the position of the OCC on Legislative Priorities to support this measure.

Thank you very much for your kind consideration.

Sincerely yours,

/s/ Melodie Aduja

Melodie Aduja, Chair, OCC on Legislative Priorities

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